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TO RUEHC/SECSTATE WASHDC 7551  
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UNCLAS SECTION 01 OF 02 DHAKA 001089

SENSITIVE  
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DEPT FOR SCA/PB  
NEW DELHI FOR FAS OFLAKE  
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SUBJECT: FOOD ADVISER ASKS FOR U.S. ASSISTANCE FOR FOOD STORAGE  
AND CASH FOR WORK

#### SUMMARY

1. (SBU) Bangladesh Food, Disaster Management and Health Adviser A.M.M. Shawkat Ali believes the Caretaker Government can be proud of its achievements in the food arena. In a meeting with the Ambassador, he highlighted food security, including food production, storage, pricing and consumption. Ali described the GOB's cash-for-work program; current lackluster performance of the family planning program; and the GOB's firm commitment to outsource health services delivery to the private sector. Ali requested USG assistance for GOB food storage and cash-for-work programs, as well as programs aimed at strengthening the homes and livelihoods of areas in Bangladesh worst hit by cyclones.

#### FOOD SECURITY

2. (U) In a recent meeting with the Ambassador, A.M.M. Shawkat Ali, Adviser for the Ministries of Food and Disaster Management and Health, explained that the Government of Bangladesh (GOB) needed greatly increased storage space for food stockpiles but did not have adequate funds to acquire additional space. In the mid-1970s, the GOB strategy, recommended by World Bank studies, had been to publicly hold 1-1.5 million metric tons of rice. That strategy had gradually changed to one which favored reliance on private sector storage and kept public storage minimal. According to Ali, legislative orders now made it almost compulsory for rice millers to keep a surplus. Following the loss of rice crops during the flooding and cyclone of 2007, there had been a shift back to holding greater stockpiles of rice. Finding places to construct additional storage facilities remains a major problem with few solutions in sight. The Adviser said he did not believe in taking agricultural land out of production, eliminating acquisition of land as a part of the GOB's storage space strategy.

3. (SBU) The Adviser Ali noted that 45-48 percent of this year's spring rice harvest came to the market as compared to a more usual annual level of 60 percent. The drop in the percentage of rice that comes to market was not a concern, however, as it was likely that more rice was being held for household consumption or, in the case of more affluent farmers, until rice prices increased. World rice prices were currently higher than the price in Bangladesh, leading to a nearly complete absence of private sector imports. (NOTE: In a normal year, Bangladesh can supply over 90 percent of its domestic rice needs. END NOTE.)

4. (SBU) Adviser Ali highlighted GOB efforts to provide additional

food aid to the poorest of the poor in Bangladesh, explaining that food management officials are exploring with Save the Children and CARE the possibility of doubling their food programs. According to Ministry of Food and Disaster Management estimates, the GOB will require 20 million metric tons to meet the five-year need for a basic diet of 1800 KCAL daily for the ultra poor. While Washington had been responsive to requests for increases in food assistance to Bangladesh, the Ambassador noted this might be a difficult year to solicit additional funding. Fortified flour was another option, but Ali noted that encouraging its substitution for rice was a difficult endeavor. Potatoes were a less desirable option owing to the need for district-level cold storage facilities and limited popularity of potatoes as a food among Bangladeshis.

#### CASH-FOR-WORK PROGRAM

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¶5. (SBU) Adviser Ali reviewed the GOB's cash-for-work program aimed at supplementing the incomes of the poor in the current inflationary environment. Under the program, the Food and Disaster Management Ministry pays 100 taka (approximately \$1.48) for a day of labor on a farm or in public works. On a recent field visit, Ali discovered only female workers because men could find better paying employment or preferred to receive an unemployment stipend of 90 taka instead of working to receive 100 taka. Revised guidelines for the unemployment stipend require 15 days of work at 100 taka to ensure worker commitment to the program.

#### HEALTH ISSUES

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DHAKA 00001089 002 OF 002

¶6. (SBU) Agreeing with the Ambassador's observation that family planning was critical to addressing population issues in Bangladesh, Adviser Ali acknowledged that the GOB's family planning program was "stagnant." He expressed doubt that the GOB would meet its Millennium Development Goal of achieving replacement level fertility, commenting that not much could be done since family size involved "personal choice." Since he joined the government in January 2008, Adviser Ali said Health Ministry vacancies had contributed to the stagnation of family planning programs. He flagged this as a serious issue for the Food and Disaster Management Ministry as well, which had operated in the past year with only 49 percent of its staff, despite being in the midst of a food crisis. Although he had obtained permission to fill up to 80 percent of vacancies in both Ministries, he doubted the Caretaker Government would be able to implement this hiring program so close to elections and a change in government.

¶7. (U) On the role of the NGO sector in health service delivery, he reaffirmed the Health Ministry's committee to "contracting out" services to private sources for 168 community clinics despite resistance from some groups. (NOTE: This is good news, since USAID's experience with the Smiling Sun NGO clinics network bears out the workability of private sector health service delivery in Bangladesh, and the Smiling Sun clinics and NGOs will welcome this additional source of funding for their operations. END NOTE.)

#### COMMENT

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¶8. (SBU) Adviser Ali, a long-time civil servant, said the most effective past U.S. assistance to Bangladesh included USG rural electrification, fertilizer and family planning programs. He requested the USG consider funding food storage warehouses, a 100-day cash-for-work program, and programs to complement the U.K.-assisted Char Livelihood Project. This British project aims to build safe, flood-resistant houses, promote home gardening and build awareness on health and family planning on Bangladesh's "chars," or islands. Chars are seasonally inundated with flood waters and traditionally are the areas worst hit by Bangladesh's frequent cyclones. The Ambassador outlined for the Adviser the \$77.5 million USG program for long-term reconstruction and livelihood efforts in Bangladesh that was part of our response to Cyclone Sidr in 2007.

Moriarty